

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DEMA)	CASE NO. 91-230-B
GAS COMPANY, INC.)	

O R D E R

On January 15, 1992, the Commission issued its Order in Case No. 91-230 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On June 3, 1992, Dema Gas Company, Inc. ("Dema") filed its quarterly GCA, which is to become effective July 1, 1992 and is to remain in effect until September 30, 1992.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Dema's notice of June 3, 1992 set out certain revisions in rates which Dema proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale change in gas cost from its supplier. Dema's expected gas cost ("EGC") for the quarter beginning July 1, 1992 is \$2.6761.

2. Dema's GCA clause requires that Dema file a quarterly report at least 30 days prior to the beginning of each calendar quarter, however, such notice was not given. Therefore, the

proposed rates cannot be placed into effect until the full notice requirement has been met.

3. Dema's notice included no actual adjustment. This adjustment will be unavailable to Dema until its GCA clause has been in effect two quarters.

4. The combined effect of the above adjustments is Dema's gas cost recovery rate ("GCR") in the amount of \$2.6761 per Mcf, an increase of 24.20 cents per Mcf from its last approved rates.

5. Dema's adjustment in rates, set out in the Appendix to this Order pursuant to the GCA provisions approved by the Commission in its Order in Case No. 91-230 dated January 15, 1992, is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after the date of this Order.

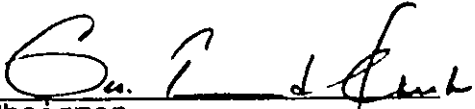
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after the date of this Order.

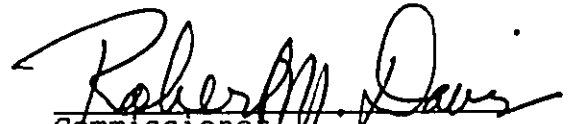
2. Within 30 days of the date of this Order, Dema shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 7th day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-230-B DATED JULY 7, 1992

The following rates and charges are prescribed for the customers in the area served by Dema Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE:

	<u>Base Rate</u>	<u>GCR</u>	<u>Total Retail Rate</u>
First 1 Mcf	\$7.4648	\$2.6761	\$ 10.1409/Mcf
Over 1 Mcf	6.2648	2.6761	8.9409/Mcf
Minimum Bill	\$10.14		